

Packages to grow more food in the country

402. SHRI HARISH RAWAT: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) the findings of the study conducted by Government to grow more food in the country;

(b) the details of the policy package announced by Government to give a further boost to the industry; and

(c) the position of Uttaranchal in this sector and the action plan of the Centre to help the State to improve the prospects to this industry in the rural and hilly areas of the State?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI): (a) to (c) According to a study conducted by the Government, agricultural production in the country is increasing faster than the population leading to increasing marketable surplus of various agri-produce. For promotion and development of food processing industries, Government has implemented several plan schemes. Under these schemes financial assistance in the form of grant-in-aid is provided for technology upgradation/modernization/establishment of food processing units, development of infrastructure, human resource development, promotion of quality assurance, codex standards R & D besides for other promotional measures to encourage development of the food processing industries.

Further, in order to ensure easy availability of credit, Government have included food processing industries in the list of priority sector for bank lending. Fruit and vegetable processing units are already exempted from payment of excise duty. Further, in the year 2004-05, Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. In the Budget of 2005-06 excise duty of Rs. 1.00 per kg. on refined edible oil and Rs. 1.25 per kg on vanaspati were abolished. Customs

duty on refrigerated vans was reduced from 20% to 10%. In the budget 2006-07 the Government has waived excise duty on condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast. Excise duty on ready to eat packaged foods and instant food mixes, like dosa and idli mixes have been reduced from 16% to 8%. Excise duty on aerated drinks has been reduced from 24% to 16%. NABARD is to create a refinancing window with a corpus of Rupees one thousand crore for agro processing infrastructure and market development. The Government has also enacted The Food Safety and Standards Act, 2006 which has been passed by the Parliament on 02.08.2006 and published in the Gazette of India Extraordinary, part-II Section 1, dated 24th August, 2006 as Act No. 34 of 2006. The objective of the Act is to bring about a single statute relating to food and establish Food Safety and Standards Authority.

Ministry of Food Processing Industries extends financial assistance for technology upgradation/modernization/establishment of food processing units in the form of grant-in-aid to all implementing agencies @ 25% subject to maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas including Uttaranchal of the cost of plant and machinery and technical civil works. So far, 20 food processing units in the State of Uttaranchal have been approved for assistance during the 10th Plan period. An amount of Rs. 322.44 lakhs to such units have been released during the above period in the State under the Scheme. Under the **Mini Mission IV** of Technology Mission for Development of Horticulture, in difficult and high horticultural potential areas including Uttaranchal, assistance at still higher rates (@50% upto Rs. 4 crore) is available for processing of horticultural produce. Seven units in the State of Uttaranchal have been provided assistance during the 10th Plan period with a total approved assistance of Rs. 655.265 lakhs. A New scheme of National Project on Organic Farming has been taken up from October, 2004 for production, promotion and market development of organic farming in the country on a pilot basis. Uttaranchal is one of the important States under the Scheme.

Setting up of food processing industries

403. SHRI DWIJENDRA NATH SHARMAH: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state: